

David J. Ryzak
617 E. 18th Way
Burley, Idaho 83318

May 7, 2005

Mr. Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program
Division of Oil, Gas, and Mining
P. O. Box 145801
Salt Lake City, Utah 84114-5801

re: Request to schedule Reclamation Surety Estimate payments for Rocanville Corporation, Tejon Quarries, M/027/087, Millard County, Utah. Reference: Letter dated April 11, 2005.

Dear Mr. Haddock:

I am writing on behalf of Mr. Mert Hamilton of Rocanville Corporation regarding his proposal to schedule Reclamation Surety Estimate payments for the Tejon Quarries. Enclosed are several documents related to this proposal.

The first document is a revised Reclamation Surety Estimate (RSE) in the amount of \$108,900 dated April 29, 2005, for 20.0 acres. Our review of the estimated amount of debris left at the site showed an extremely large amount included in the RSE for \$116,700. There are no structures to be removed at the end of quarry operations, so we overestimated the amount of debris that should have been included in the RSE. I have still included a generous amount of debris in the revised RSE for \$108,900. Each of the activity descriptions for the revised entries has been labeled with an (*). The operator presently has \$31,700 in Surety already posted with DOGM. If the RSE of \$108,900 for the 20.0 acres is acceptable to DOGM, it will leave \$77,200 total Surety required from the operator (\$108,900 - \$31,700).

The second document is a RSE in the amount of \$49,400 dated April 29, 2005, for the existing 9.91 acres. I recalculated the amount of activity needing to be accomplished to complete reclamation; revising most of the entries. If the RSE for \$49,400 is acceptable to DOGM, the following calculations are valid. The operator presently has \$31,700 in Surety already posted with DOGM. This leaves \$17,700 Surety needed to cover the existing 9.91 acres (\$49,400 - \$31,700).

After \$49,400 is subtracted from the RSE of \$108,900, a Surety of \$59,500 will be required to reclaim the additional 10.09 acres of the total 20.0 acres to be developed (\$108,900 - \$49,400). This calculates to \$5,897 per acre (\$59,500/10.09 acres).

The third document included with this request is a set of three maps at 1" = 200' scale showing the operator's proposed annual development for Years 1 through 5 of the NOI. The numbers

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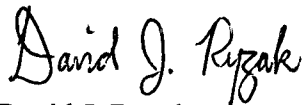
1,2,3,4, and 5 within the planned development show the areas proposed to be developed in that year of the NOI. The areas were measured for each quarry and added together for the yearly planned development. Using the figure of \$5,897 per acre calculated above, I developed a Surety payment schedule.

Rocanville Corporation proposes the following Surety payment schedule:

| Year | Year | Acreage to be developed | Surety Required | Surety Proposed | Total Surety to be posted | When Due |
|------|------|----------------------------|--------------------|--------------------|------------------------------|---------------|
| 1 | 2005 | existing | \$49,400 | \$49,400 | \$ 49,400 | Upon approval |
| 1 | 2005 | 1.59 acres | \$ 9,376 | \$ 9,400 | \$ 58,800 | Upon approval |
| 2 | 2006 | 2.04 acres | \$12,030 | \$12,100 | \$ 70,900 | 3/31/2006 |
| 3 | 2007 | 2.48 acres | \$14,625 | \$14,600 | \$ 85,500 | 3/31/2007 |
| 4 | 2008 | 1.95 acres | \$11,499 | \$11,500 | \$ 97,000 | 3/31/2008 |
| 5 | 2009 | 2.03 acres | \$11,970 | \$11,900 | \$108,900 | 3/31/2009 |

Please consider this proposal favorably.

Sincerely,



David J. Ryzak
for Mert Hamilton

Enclosures

cc: Mert Hamilton

RECLAMATION SURETY ESTIMATE

Mine Operator: Mert Hamilton

Mine Name: **Tejon Quarries**

Last Revision: April 29, 2005

DOGM file number: M/027/087

County: Millard

Prepared by: David Ryzak, from format prepared by Utah Division of Oil, Gas, and Mining dated 10/07/02

Cost estimate based on page "estimate D8"

Amount of developed area which will receive reclamation treatments 19.2 acres
Estimated total developed area for this mine = 20.0 acres

| Activity | Quantity | Units | \$/unit | \$ |
|--|----------|-------|---------|---------|
| Safety gates, signs, etc. (mtls & installation) | 3 | sum | 250 | 750 |
| Demolition of buildings & facilities | 0 | CF | 0.27 | 0 |
| Debris & equipment removal - trucking * | 2 | trips | 64 | 128 |
| Debris & equipment removal - dump fees * | 40 | ton | 70 | 2800 |
| Debris & equipment removal - loading trucks w/FE loader* | 4 | hours | 210 | 840 |
| Demolition & debris removal - general labor * | 20 | hours | 27 | 540 |
| Regrading facilities areas (2 ft depth) | 0 | acre | 710 | 0 |
| Revised these entries above * | | | | |
| Regrading waste dump slopes (5.50 ac. X 2 ft. depth) | 17750 | CY | 0.70 | 12425 |
| Ripping waste dump tops (60% of 5.5 acres) | 3.3 | acre | 286 | 943.8 |
| Ripping stock pile & compacted areas | 3.5 | acre | 286 | 1001 |
| Ripping contoured areas prior to seeding | 12.4 | acre | 286 | 3546 |
| (The above three entries will not exceed 19.2 acres) | | | | |
| Ripping pit access roads (2 ft. depth) | 0.3 | acre | 710 | 213 |
| Creating safety berms or barriers around highwalls (fence) | 3340 | LF | 0.25 | 835 |
| Ripping access roads - dozer | 0 | acre | 286 | 0 |
| Regrading access roads - dozer | 0 | acre | 286 | 0 |
| Sidecast mtl replacement on steep roads- trackhoe | 0 | LF | 1.45 | 0 |
| Surface drainage restoration or construction | 0 | LF | 0.25 | 0 |
| Topsoil replacement - dozer (70% of 15.4 ac.) | 17,390 | CY | 0.68 | 11825 |
| Topsoil replacement - scraper | 0 | CY | 1.39 | 0 |
| Topsoil replacement - truck & FE loader (30% of 15.4 ac.) | 7460 | CY | 3.02 | 22529 |
| (No topsoil put on storage areas or unreclaimed highwalls) | | | | |
| Mulching (2 ton/acre alfalfa/straw) | 0 | acre | 400 | 0 |
| Fertilizing (100 lb/acre diammonium phosphate) | 19.2 | acre | 100 | 1920 |
| Composted manure (10 ton/acre) | 0 | acre | 350 | 0 |
| Broadcast seeding | 19.2 | acre | 280 | 5376 |
| Drill seeding | 0 | acre | 240 | 0 |
| Hydroseeding | 0 | acre | 930 | 0 |
| General site cleanup & trash removal | 10 | acre | 75 | 750 |
| Equipment mobilization (dozer, truck, loader) | 3 | equip | 2000 | 6000 |
| Reclamation estimate w/o supervision | 72423 | | | |
| Reclamation Supervision (10% of reclamation estimate) | | | | 7242 |
| SUBTOTAL | | | | 79665 |
| 10% Contingency | 0.10 | | | 7966 |
| SUBTOTAL | | | | 87631 |
| Escalate for 5 years at 4.44% per year | | | | 21,260 |
| TOTAL | | | | 108,891 |
| Rounded surety amount in year 2010 \$ | | | | 108,900 |
| Average cost per developed acre = | \$ | 5,445 | | |

RECLAMATION SURETY ESTIMATE

Estimate for 9.91 acres

Mine Operator: Mert Hamilton

Mine Name: **Tejon Quarries**

Last Revision: April 29, 2005

DOGM file number: M/027/087

County: Millard

Prepared by: David Ryzak, from format prepared by Utah Division of Oil, Gas, and Mining dated 10/07/02

Cost estimate based on page "estimate D8"

Amount of developed area which will receive reclamation treatments 9.4 acres

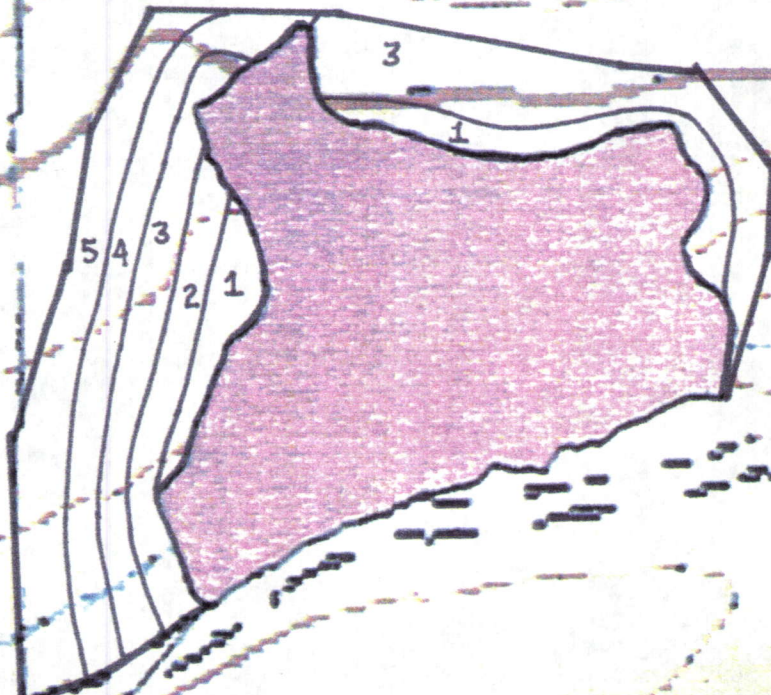
Estimated total developed area for this mine = 9.91 acres

| Activity | Quantity | Units | \$/unit | \$ |
|--|----------|-------|---------|--------|
| Safety gates, signs, etc. (mntls & installation) | 3 | sum | 250 | 750 |
| Demolition of buildings & facilities | 0 | CF | 0.27 | 0 |
| Debris & equipment removal - trucking | 1 | trip | 64 | 64 |
| Debris & equipment removal - dump fees | 20 | ton | 70 | 1400 |
| Debris & equipment removal - loading trucks w/FE loader | 2 | hours | 210 | 420 |
| Demolition & debris removal - general labor | 10 | hours | 27 | 270 |
| Regrading facilities areas (2 ft depth) | 0 | acre | 710 | 0 |
| Regrading waste dump slopes (1.50 ac. X 2 ft. depth) | 4840 | CY | 0.70 | 3388 |
| Ripping waste dump tops (60% of 1.5 acres) | 0.9 | acre | 286 | 257 |
| Ripping stock pile & compacted areas | 2.5 | acre | 286 | 715 |
| Ripping contoured areas prior to seeding | 9.1 | acre | 286 | 2603 |
| [Contoured areas plus pit access roads total 9.4 acres] | | | | |
| Ripping pit access roads (2 ft. depth) | 0.3 | acre | 710 | 213 |
| Creating safety berms or barriers around highwalls (fence) | 2400 | LF | 0.25 | 600 |
| Ripping access roads - dozer | 0 | acre | 286 | 0 |
| Regrading access roads - dozer | 0 | acre | 286 | 0 |
| Sidecast mtl replacement on steep roads- trackhoe | 0 | LF | 1.45 | 0 |
| Surface drainage restoration or construction | 0 | LF | 0.25 | 0 |
| [9.4 ac -(2.5 ac + 0.3 ac) = 6.6 ac] | | | | |
| Topsoil replacement - dozer (80% of 6.6 ac.) | 8520 | CY | 0.68 | 5794 |
| Topsoil replacement - scraper | 0 | CY | 1.39 | 0 |
| Topsoil replacement - truck & FE loader (20% of 6.6 ac.) | 2130 | CY | 3.02 | 6433 |
| (No topsoil put on storage areas or unreclaimed highwalls) | | | | |
| Mulching (2 ton/acre alfalfa/straw) | 0 | acre | 400 | 0 |
| Fertilizing (100 lb/acre diammonium phosphate) | 9.4 | acre | 100 | 940 |
| Composted manure (10 ton/acre) | 0 | acre | 350 | 0 |
| Broadcast seeding | 9.4 | acre | 280 | 2632 |
| Drill seeding | 0 | acre | 240 | 0 |
| Hydroseeding | 0 | acre | 930 | 0 |
| General site cleanup & trash removal | 5 | acre | 75 | 375 |
| Equipment mobilization (dozer, truck, loader) | 3 | equip | 2000 | 6000 |
| Reclamation estimate w/o supervision | 32853 | | | |
| Reclamation Supervision (10% of reclamation estimate) | | | | 3285 |
| | SUBTOTAL | | | 36139 |
| 10% Contingency | 0.10 | | | 3614 |
| | SUBTOTAL | | | 39752 |
| Escalate for 5 years at 4.44% per year | | | | 9,644 |
| | TOTAL | | | 49,397 |
| Rounded surety amount in year 2010 \$ | | | | 49,400 |
| Average cost per developed acre = | \$ | 4,985 | | |

Tejon #1

4.67 acres

X 67



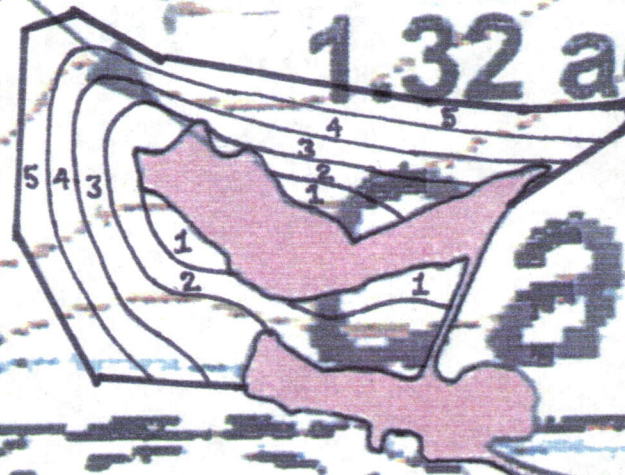
TEJON QUARRIES
ROCANVILLE STONE

Map 1 of 3
Proposed Development to
Schedule Reclamation
Surety Estimate
1" = 200'

X 6937

0069

Tejon #2
1.32 acres

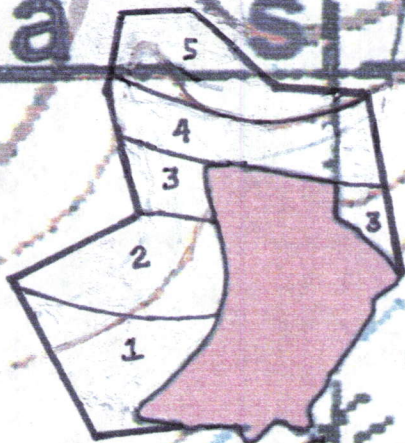


TEJON QUARRIES
ROCANVILLE STONE

Map 2 of 3
Proposed Development to
Schedule Reclamation
Surety Estimate
1" = 200'

Tejon #3

.99 a



**TEJON QUARRIES
ROCANVILLE STONE**

**Map 3 of 3
Proposed Development to
Schedule Reclamation
Surety Estimate
1" = 200'**

2.93 acres

Tejon #4

